

Employer Transportation Plan – Stimulus Law Changes

This FYI provides information about some of the changes for employer qualified transportation plans due to the American Recovery and Reinvestment Act of 2009 which was signed into law on February 17, 2009.

Here is the main change for employer qualified transportation plans due to this law:

- The new law provides a temporary increase in the transit pass and commuter vehicle expenses limit. Effective as of March 1, 2009, the \$120 combined monthly limit for transit passes and commuter vehicle expenses is increased to \$230 per month. The rate increase affects the rest of 2009 and all of 2010. It no longer applies on January 1, 2011.

What should employers do?

- Address plan administration choices and changes now. The effect of the law may depend on the drafting of the employer's plan. For example, new employee elections may be necessary.
- Contact your attorney regarding changes to your plan design, documents, notices, and forms. With a March 1 effective date, there is not much time.

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